Previous references.

File No. 131 .

1904

Serial Nos. 11 & 13

(Gl. Finance)

Later references.

p6

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. ~~11 & 13~~

Part B. for December

SUBJECT.

Restricting the overdrafts to be drawn by the Mysore Spinning & Manufacturing Co. /

FILE No. 131 of 1904-05.

The Mysore Spinning and Manufacturing Company.

11 From the Comptroller, the Managing Director of the Mysore Spinning and Manufacturing Co., memo dated the 9th December 1904.

Forwards letter dated 7th December 1904, from Messrs. N. Sirur & Co., Agents, addressed to the Secretary to Government, General and Revenue Department, through him requesting issue of orders to enable them to overdraw on the current account to the extent of Rs. 75,000 exclusive of the debit balance against the Company up to the 24th November last as requested in their previous letter and the forwardal of the duplicate copy of the agreement between the Government and the Company and states that the amount, *viz.*, Rs. 75,000 recently sanctioned may, as desired by the Agent, be treated as an overdraft exclusive of the advances made to the Company prior to November 1904, that by this arrangement the further drawals over and above this amount will depend on the amounts realized by the sale of yarn, cloth, etc., and paid into the treasury to the credit of the account current and should, on no account, exceed this overdraft of Rs. 75,000 and that this is what is contemplated by the agreement with the Company.

13 To the Comptroller, and the Agents of the Mysore Spinning and Manufacturing Co., No. Fl. 4020-1, dated 29th December 1904.

G. R

States that the sum of Rs. 75,000 sanctioned in Proceedings dated 22nd November 1904, will be treated as the limit of overdraft on the current account exclusive of the advances made to the Company up to the date of opening of the current account, presumes that the Comptroller as the Official Director will have control over the transactions of the Mill and he will be careful to see that at no time the stock in trade will fall short of the advance standing against the Mill and returns the duplicate agreement between the Company and the Government as requested by the Agents.

B. November 1904, Gl. Fin. 131 of 04-05, Serial Nos. 6 & 7.

G. R. S. 11] 1904.

GENERAL AND REVENUE SECRETARIAT.

(El. Francis)

NOTES.

File No. 131 of 1904

FILE HEADING.

Rupee Spinning and Manufacturing Company

From The Comptroller, the Managing Director of the Company

No. Dated 9.12.04 Received 12-12-04

Diary No. 2367	Enclos.	Spare Copies.	Serial No. 11

BRIEF ABSTRACT OF LETTER.

Forwards letter dt 7.12.04 from the agents of the Comp^y requesting for reason stated issue of orders to enable them to overdraw on the Current account to the extent of £75000/ exclusive of the debit balance against the Comp^y upto the 24th instant.

NOTES AND ORDERS.

The agents request supply of the duplicate copy of the agreement between the Govt & the Comp^y

The Comptroller states that the amount of £75000/ recently sanctioned

NOTES—First sheet.

MGCPB -25,000 -18-8 04

Serial No.

may be secured by the agent be treated as an overdraft exclusive of the advances made by the Comptr prior to 1st Nov 1904, that by this arrangement the further drawals over and above the amount will depend on the accounts realised by the sale of yarn cloth &c paid into the Treasury to credit of the account current and shd no account exceed this overdraft of ₹75000 and that this is what is contemplated by the agreement with the Company Copy of the agreement put up.

Submitted
for orders
16/12/04
RK.

The agents asked for permission to overdraw on the Current account to the extent of Rs 75000 But the Comptr recommended only a letter of credit of Rs 75000 & not an overdraft arrangement. The opening of a credit of

CPB—20,000—1-11-04.

Serial No.

Rs 75000 was accordingly authorised in G P/C 3137-8 of 22-11-04. Now the agents again ask for permission to overdraw & the Comptr now states that the sum placed at the disposal of the agents be may be treated as the limit of overdrawal - G/C 7:131-04-7

The Agreement simply states that Govt will advance all necessary funds from time to time for the working of the Company's mills and there is no reference in it to the particular arrangement either overdraft or fixing a credit of a specified amount, under which advances should be made. As however the overdraft arrangement is considered necessary by the agents & is recommended by the Comptr it may be sanctioned. One effect of this arrangement will be the power given to the Company to withdraw any money deposited by them in the Treasury, subject to the condition that the total advance outstanding against the debit of the Company, to the debit of the Current Account should not exceed Rs 75000 which is the limit of overdraft asked for by the agents for the present

As a matter of fact the real limit of the overdraft now asked for will be Rs 1,00502-12-9 as Rs 25,502-12-9 advanced to the Company during the time the mill was silent has been ordered to be

NOTE—Contn. sheet.

MGCPB—20,000—1-11-04.

mounts paid into
l H Tsy by the Agents
s in the [illegible]

.12.04.	1690.4.6
″ —	280.13.3
2 . ″ —	1417.11.5
5. ″ —	1403.8.6
6 — ″ —	1538.1.–
1 — ″ —	1179.12.7
	7509.9.5

21 12 07

Serial No.

recovered from the new advances made by the Company & will therefore be debited to the Current account thus raising the maximum limit of the debit balance of Rs 1,00502-12-9.

A draft as per recommendation of the Comptr is put up.

Ca. No. 131

The agents had sent two copies of the agreement one of which was registered & sent by the Comptr. for safe custody in the Huzur Treasury. They call for the return of the other copy. As another copy is in the file for ref the second copy may be ret'd. 16/12/04

E 1 1 1 2

Draft sales by Dy Secy 21/12/04

17/12/04

Draft submitted to the Dewan Sahib. The list attached shows the amounts paid & 21.12.1904 into the Mazoor Treasury by the agent of the Mills

21.12.1904

24/12/04

3590/21.12

13 To the Comptroller & Agents of the Mysore Spinning and Manufacturing Company.

No: H 4020-1 dated 29-12-04

States that the Sum of Rs 75,000/- Sanctioned in Pro: dated 22.11.04 will be treated as the

MGCPB—20,000—1-11-04.

G.R.S. 12]

General and Revenue Secretariat.

File No. 131 of 1904

Serial No.

Limit of overdraft on the current account exclusive of the advances made to the Company up to the date of opening of the current account presumes that the Comptroller as the Official Director will have control over the transactions of the Bank and he will be careful to see that at no time the stock in trade will not fall short of the advance standing against the mill and returns the duplicate agreement between the Company and the Govt. as requested by the Agents.

NOTE—Contn. sheet.

MGCPB—10,000—31-8-04.

D. 2367

N. SIRUR & Co.
~~Pachaiyaiah & Sons~~
AGENTS.
BOMBAY.

The Mysore Spinning & Manufacturing Company, Limited.

Bangalore, 7th December 1904.

To

The Secretary to the Government of
H.H. the Maharaja of Mysore,
General & Revenue Departments,
Bangalore.
(Through the Managing Director)

Sir,-

In acknowledging with thanks Govt: order No. $\frac{\text{Gl: 3137-8}}{\text{Gl: Fin: 131. 04-7}}$, dated the 22nd November 1904, we have the honor to submit as follows:-

(1) In our letter to the Govt: dated 12th idem we had requested for an overdraft to enable us to draw on the Current account to the extent of Rs 75,000/- exclusive of the then existing balance against the company.

(2) The Govt: order, above quoted, while graciously sanctioning the current account directs that an amount of Rs 75,000/- be placed at our disposal for the present and adds in para 3 that the advances hitherto

N. SIRUR & Co.
[redacted]
AGENTS.
BOMBAY.

The Mysore Spinning & Manufacturing Company, Limited.

Bangalore, 19

hitherto given to the Company should as ordered in Govt: order no: Fl 3458-62/ R.F 27-1902 of the 16 June 1904, be adjusted by debit to the current account?

(3). According to the above restriction, the company can draw only the balance after deducting the amounts from time to time received from the District Treasury, prior to our application for the overdraft and also the sale proceeds that are being deposited in the Treasury by the Company, cannot in the absence of explicit orders of Government, be drawn back whenever funds may be required for the purchase of raw materials.

(4). It is a thing generally known that for the successful working of such Concerns the buying & selling processes ought to go on simultaneously & continuously and it is natural that the major portion of the investment will always remain locked up. It was for the above reason that we had in our letter above referred

N. SIRUR & Co.
[redacted]
AGENTS.
BOMBAY.

The Mysore Spinning & Manufacturing Company, Limited.

Bangalore, 19

referred to, requested for an overdraft to enable us to carry on the work without a break.

(6). Under the present order of Govt., our purchases of cotton will have to be stopped as soon as the already small balance, small, because the amounts drawn prior to 24th November and the major portion of which was utilised for putting the machinery in working order and insurance premiums &c during period the mill was silent, will be deducted from the Rs 5,000 will have been drawn, and unless we are enabled to draw back from the Treasury the sale proceeds or any other funds, we shall be depositing from time to time, i.e. unless we are allowed to overdraw on the Current account to the extent specified in our letter of the 12th November last we shall be put to the necessity of renewing our applications to Govt. for funds every now and then.

This means much avoidable delay & consequent stoppage in the purchases

N. SIRUR & Co.
[redacted]
AGENTS.
BOMBAY.

The Mysore Spinning & Manufacturing Company, Limited,

Bangalore, 19

of raw materials until such application are sanctioned by Govt.

(7). We therefore request that Govt. may be pleased to issue early orders to enable us to overdraw on the Current Account to the extent of Rs 75,000/-, exclusive of the debit balance against the Company upto the 24th November last, as requested in our previous letter.

We beg also to take this opportunity of requesting to be furnished with the duplicate copy of the agreement between the Govt. & the Company, lately registered.

We have the honor to be,
Sir,
your most obedient sts,

N. Sirur & Co
Agents.

11

Forwarded: The amount Vide Rs: 75000 recently sanctioned may, as desired by the

Agent be treated as an overdraft. Exclusive of the advances made by the Co. prior to November 04. By this arrangement the further drawals over and above this amount will depend on the amounts realised by the sale of Yarn, Cloth &c and hard into the Treasury to credit of the Account Current & Co. in no account exceed this overdraft of Rs: 75000. This is what is contemplated by the agreement with the Co.

Jby Eagles
Comptroller

9th December 04:—

To
Branch II Can this be done? Examine please & send with file.

G. J.

Draw 12/12

BW.
10.12.1904

(Sl No:13) 2

G.R.S. 28]

File No. 131 / 1904

Serial No. 12

Diary No. of letter replied to ———

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.

( )

, *the* 29-12-1904

Date of issue ———

Signed by W. M. Vasudeva

READ.

Issued by the 9th December 1902 permitting the Company to the Govt and the Managing Director of the Mysore Spinning and Manufacturing Company forwarding letter of 7-12-1904 from the Agents of the Company requesting the issue of orders to enable them to withdraw on the current account to the extent of Rs 75000/- exclusive of the debit

over

ORDER THEREON.—No.

SUBJECT

3

balance against the Company up to 14th November 1904, and stating that the further drawals over and above this amount will depend on the amount realised by the sale of yarn cloth &c and paid into the Treasury to the credit of the account current and that the limit of overdraft should on no account exceed ₹ 75000/-.

Order thereon No. ₹ 4020-1 Ct Fin 131-04-12 dt 29 December 04

As requested by the Agent to the Mahanagar Spinning and Weaving Company and as recommended by the Managing Director and Comptroller, the Sum of ₹ 75000/- Sanctioned in Pro No.

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

H 3137-8
El Dia 131-04 of the 22nd Nov. under
1904 will be treated as the
~~maximum~~ limit of
overdraft on the current
account exclusive of the
advances made to the
Company up to the date
of opening of the current
account.

2. The duplicate of the
agreement between the
Company & the Govt. ~~is~~ to
herewith
~~be~~ returned as requested
by their agents.

The undersigned
as the official
Director will
if required
have control
over the transactions
of the ~~Bank~~ Mill
he will be careful
to see that at no
time the advance
~~exceeds~~ standing
at the Mill —
the security for
this advance is
the stock in trade
it is essential
that the value
of that security
must always
be higher than
the advance

Mill

12-12-1904

Mill 21/12/04

Mr Lumsden Govt Dir
H H Jr

& results of his enquiries

Spinney & Treasury
Corr. with duplicate
agreement.

22. XII. 04

23.12.1904